

109TH CONGRESS
1ST SESSION

H. R. 1362

To amend title XVIII of the Social Security Act to provide for the public disclosure of prices for hospital and ambulatory surgical center procedures and drugs.

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2005

Mr. LIPINSKI (for himself and Mr. INGLIS of South Carolina) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to provide for the public disclosure of prices for hospital and ambulatory surgical center procedures and drugs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Hospital Price Dislo-
5 sure Act of 2005”.

1 **SEC. 2. PUBLIC DISCLOSURE OF HOSPITAL AND AMBULA-**
2 **TORY SURGICAL CENTER DATA.**

3 (a) REQUIREMENT.—

4 (1) HOSPITALS.—Subsection (a)(1) of section
5 1866 of the Social Security Act (42 U.S.C. 1395cc)
6 is amended—

7 (A) in subparagraph (U), by striking
8 “and” at the end;

9 (B) in subparagraph (V), by striking the
10 period at the end and inserting “, and”; and

11 (C) by inserting after subparagraph (V)
12 the following new subparagraph:

13 “(W) in the case of a hospital, to report to the
14 Secretary data in accordance with subsection (k)(1)
15 and to post notice regarding such data in accordance
16 with subsection (k)(2)(B).”.

17 (2) AMBULATORY SURGICAL CENTERS.—Section
18 1832(a)(2)(F)(i) of such Act (42 U.S.C.
19 1395k(a)(2)(F)(i)) is amended by inserting after
20 “other standards” the following: “, including the re-
21 porting to the Secretary of data in accordance with
22 section 1866(k)(1) and the posting of notice regard-
23 ing such data in accordance with section
24 1866(k)(2)(B)”.

25 (b) DATA REPORTING BY HOSPITALS AND AMBULA-
26 TORY SURGICAL CENTERS FOR CERTAIN INPATIENT AND

1 OUTPATIENT PROCEDURES AND INPATIENT DRUGS.—
 2 Section 1866 of such Act (42 U.S.C. 1395cc) is further
 3 amended by adding at the end the following new sub-
 4 section:

5 “(k) DATA REPORTING BY HOSPITALS AND AMBULA-
 6 TORY SURGICAL CENTERS AND PUBLIC POSTING.—

7 “(1) QUARTERLY REPORTING REQUIREMENT.—

8 Not later than 45 days after the end of each cal-
 9 endar quarter (beginning more than one year after
 10 the date of the enactment of this subsection), a hos-
 11 pital shall report to the Secretary, for each proce-
 12 dure or drug selected under paragraph (3), and an
 13 ambulatory surgical center shall report to the Sec-
 14 retary, for each procedure selected under paragraph
 15 (3)(A)(ii), the following data:

16 “(A) The frequency with which the hos-
 17 pital performed the procedure, or administered
 18 the drug in an inpatient setting, or the center
 19 performed the procedure during such quarter.

20 “(B) If the procedure was performed or
 21 the drug was so administered during such quar-
 22 ter, the average and the median of the price
 23 charged by the hospital or center for such pro-
 24 cedure or drug during such quarter.

25 “(2) PUBLIC AVAILABILITY OF DATA.—

1 “(A) PUBLIC POSTING OF DATA.—The
2 Secretary shall promptly post, on the official
3 public Internet site of the Department of
4 Health and Human Services, the data reported
5 under paragraph (1). Such data shall be set
6 forth in a manner that promotes price compari-
7 son among hospitals and ambulatory surgical
8 centers.

9 “(B) NOTICE OF AVAILABILITY.—A hos-
10 pital and ambulatory surgical center shall
11 prominently post at each admission site of the
12 hospital or center a notice of the availability of
13 the data reported under paragraph (1) on the
14 official public Internet site under subparagraph
15 (A).

16 “(3) SELECTION OF PROCEDURES AND
17 DRUGS.—

18 “(A) INITIAL SELECTION.—Based on na-
19 tional data, the Secretary shall select the fol-
20 lowing:

21 “(i) The 25 most frequently per-
22 formed hospital inpatient procedures.

23 “(ii) The 25 most frequently per-
24 formed hospital outpatient procedures.

1 “(iii) The 50 most frequently adminis-
2 tered drugs in a hospital inpatient setting.

3 “(B) UPDATING SELECTION.—The Sec-
4 retary shall periodically update the procedures
5 and drugs selected under subparagraph (A).

6 “(4) CIVIL MONEY PENALTY.—The Secretary
7 may impose a civil money penalty of not more than
8 \$10,000 for each knowing violation of the provisions
9 of paragraph (1) or (2)(B) by a hospital or ambula-
10 tory surgical center. A civil money penalty under
11 this paragraph shall be imposed and collected in the
12 same manner as a civil money penalty under sub-
13 section (a) of section 1128A is imposed and collected
14 under that section.

15 “(5) ADMINISTRATIVE PROVISIONS.—

16 “(A) CLASSIFICATION OF PROCEDURES.—
17 For purposes of this subsection, the Secretary
18 shall establish rules for the classification of dif-
19 ferent procedures and for the assignment of
20 items and services to those procedures.

21 “(B) COMPUTATION OF AVERAGE AND ME-
22 DIAN PRICES.—For purposes of paragraph (1),
23 the computation of an average and median
24 price for a procedure or drug shall be in accord-
25 ance with a methodology prescribed by the Sec-

1 retary. Such methodology may provide for re-
2 porting by the hospital or ambulatory surgical
3 center of unit prices for specific items and serv-
4 ices included in a procedure, including appro-
5 priate per diem prices, and a method of con-
6 verting such unit prices for a procedure to an
7 average and median price for such procedure.

8 “(C) FORM OF REPORT AND NOTICE.—The
9 Secretary shall specify the electronic form and
10 manner by which a hospital or ambulatory sur-
11 gical center shall report data under paragraph
12 (1) and the form for posting of notices under
13 paragraph (2)(B).

14 “(6) NON-PREEMPTION OF STATE LAWS.—
15 Nothing in this subsection shall be construed as pre-
16 empting or otherwise affecting any provision of
17 State law relating to the disclosure of price or other
18 information for a hospital or ambulatory surgical
19 center.

20 “(7) DRUG DEFINED.—For purposes of this
21 subsection, the term ‘drug’ includes a biological and
22 a non-prescription drug, such as an ointment. ”.

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